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JFK to DCI
mtg 19 Oct

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Investment Council

1. The proposal

As part of its report on the National Foreign Intelligence Budget Process, Rand has outlined a proposal for an NFIP investment council. This would be a permanent investment council chaired by the D/DCI/RM. The council would have responsibility for advising the DCI on preferred mixes of future intelligence systems capabilities and the management of a unified investment budget.

In particular the Council would:

- "evaluate major acquisition programs at key decision milestones and make recommendations regarding program initiation, continuation, modification, or termination."
- "ensure that full program costs and interagency impacts are identified..."
- "ensure a systematic review of alternative approaches..."
- "conduct annual reviews of agency investment program proposals."

2. Its Advantages

The virtues of this council would include:

- removes major system acquisition decisions from the annual budget cycle
- provides sound outyear cost estimates for major systems
- completes NFIP review of investment strategies and system mixes before presentations are required for OMB & the Congress
- separates the designing of requirements and budget

3. Implementation

In approximately one week, Rand will complete its revisions of the study. At that time, we will be able to outline a plan for establishing a council that could support work on the FY 1981 budget. This may be a good time to begin efforts because:

- preliminary work on the FY 81 guidance suggests that that budget will involve some major investment decisions which would be much better reviewed in a special forum than in the normal budget cycle.
- current steering group experience may have made the community (particularly defense) receptive to an alternative system for reviewing investment plans.

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--RMS hiring over the next several months can be directed to support staffing for such a council.

The Director of Central Intelligence

Washington, D/C. 20505

Resource Management Staff

DCI/IC 78-5127
24 October 1978

Chrono

MEMORANDUM FOR: Distribution

FROM:

Deputy to the DCI for Resource Management

SUBJECT: Appropriated Additional Money for Enhancing
U.S. Capabilities to Verify Compliance
with any Negotiated SALT Treaty

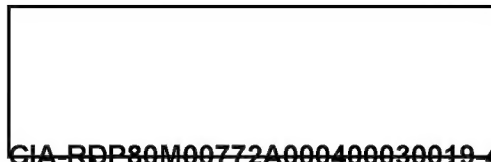
1. As you know, the Congress, in considering the FY 1979 appropriation, has provided an additional for enhancing U.S. capabilities to verify compliance with any negotiated SALT treaty. These funds cannot be obligated, however, until the Congress reviews and approves specific details of the proposed program.

2. The DCI has approved the appointment of an ad hoc group to define the feasible set of alternatives we should consider. Because we need to move fairly quickly, my staff has already telephoned those individuals nominated to participate in the alternatives specification phase inviting them to an initial meeting. As soon as the group has defined the feasible set of alternatives, their paper will be provided for your consideration and comment to the DCI. I anticipate an NFIB discussion following receipt of community comments.

3. Once the DCI has selected the alternative to be advanced for spending the the RM staff will assemble the proposal in written form for Congressional review and approval.



Attachment



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